der consideration. It has not yet been considered by the Project Approval Board. I would like to know, is there no time limit for these purposes? I do not care for the reasons, but this state of long indecision only exposes the Government on the suspicion that there are lobbies pressurising the Government one way or another. Projects Approval Board should have some time limit within which the pending applications must come to the Government. Will the Government consider ways of giving that direction?

SHRI J. VENGAL RAO: Sir, instructions have already been issued to let us know whether they are agreeing to this or not. They will decide very quickly and inform us. We are not afraid of this lobby or that lobby and whatever action is necessary, we will take it.

SHRI A. G. KULKARNI: Mr. Chairman, Sir,...

MR. CHAIRMAN: It is not obligatory to put a question.

SHRI A. G. KULKARNI: Sir, you have called me at the end although I was very much interested in putting a supplementary. I have heard many question being put by the hon. Members and the stock reply given by the Minister that the matter is still under consideration. When I entered this House in July, 1986 the same reply was given. Now in April, 1987 also the same reply is given. I agree with my hon. friend, Mr. Jha that this creates suspicion and all rumours spread that the multi-nationals are working on the Government but for heaven's sake that should not be the case. Sir, as the House is aware the Duncan proposal was rejected for manufacture of Pepsi Cola by this very Government. I do not agree with Mr. Nirmal Chatterjee's suggestions that potatoes, etc., can be stored. But here is a proposal to have value added for the potatoes and other horticulure products wherein the resources of the farmers are increased. So I requested long back...

MR. CHAIRMAN: This will also be considered.

SHRI A. G. KULKARNI: Sir...

MR. CHAIRMAN: You are only making a suggestion.

SHRI A. G. KULKARNI: Last point, Sir. May I know from the Minister whether he would agree to the horticulture proposal and reject the Pepsi proposal?

SHRI J. VENGAL RAO: Sir, it is a comprehensive project report. How can you reject one portion and accept another portion?

MR. CHAIRMAN: All that you will consider. Next Question.

Amendment in Indian Companies Act

*162. SHRI V. NARAYANASAMY:
SHRI J. P. GOYAL:†

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government propose to amend the Indian Companies Act;

(b) if so, what are the salient features of the proposed amendments; and

(c) by when the proposed legislation is likely to be introduced in Parliament?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) Yes, Sir.

(b) The Bill is mainly to give effect to some of the major recommendations made by the Sachar Committee and for rectifying certain difficulties experienced in the administration of the Act.

(c) Subject to the necessary formalities being completed in time, the Bill is likely to be introduced in the course of this session.

SHRI J. P. GOYAL: Sir, I want to draw the attention of the hon. Mnister to a news item dt. 11th March, 1987 that the Companies Act is likely to be amended. The Minister has stated in

†The question was actually asked on the floor of the House by Shri J. P. Goyal.

his reply that it is likely to be amended and a Bill to this effect is going to be introduced in this session itself. But there is another news item which says that India ranks 27th in the map of the industrial development of the world . . :

MR. CHAIRMAN: Not relevant to the main question.

SHRI J. P. GOYAL: May I know from the Minister whether he would give the reasons for our position being so low in the industrial development, in the Bill which he is likely to introduce in this session? Just before this question, some hon. Members spoke about multinationals and I would like to know from the Minister what steps he would take to develop and encourage indigenous industries rather than multinationals.

MR. CHAIRMAN: Please sit down.

SHRI J. VENGAL RAO: With some amendments, we want to introduce the Bill in this session and that will come up before this august House for discussion and at that time Members can give suggestions.

MR. CHAIRMAN: Second supplementary.

SHRI J. P. GOYAL: As the House is aware once an industry is started, it becomes sick immediately and the Government takes over that sick industry. There should not be any flight of the capital of a particular industry away from the industrial arena. This is my suggestion. This should also be taken care of in the Bill.

SHRI J. VENGAL RAO: Sir, all these suggestions the hon. Member can give at the time of discussion.

श्री रजनी रंजन साहू : श्रीमन् मेरा सवाल इस प्रश्न के पार्ट सी से संबंधित है। इस देश में बहुत सी ऐसी कंपनियां हैं जिनमें कि एक व्यक्ति सिर्फ एक सौ प्रेफरेंशल शेयर्स का मालिक बनकर पूरी कंपनी का मालिक बन जाता है और उसका चेयरमैन भी बन जाता है। इतना ही नहीं उसके परिवार का भी कोई हिस्सा उस कंपनी में नहीं होता है। मैं मंत्री जी से यह जानना चाहता हूं कि ऐसी हालत में क्या आप इस बिल में ऐसा कोई सुधार लाने का आश्वासन देंगे जिससे कि उस व्यक्ति को उस कंपनी का चेयरमैन न बनाया जा सके ?

MR. CHAIRMAN: You can move your amendments when the Bill comes.

PROF. CHANDRESH P. THAKUR: Mr. Chairman, Sir, there is a growing apprehension of the need to promote social responsibility of business and therefore larger corporate obligations in this regard. Would the Minister consider when the amendments are taken up, among those a provision for social audit incorporated as an obligation?

SHRI J. VENGAL RAO: Sir, it is a suggestion and so many suggestions have come from the people throughout the country. We are considering all these suggestions.

SHRI JAGESH DESAI: Mr. Chairman, Sir, about Rs. 4,000 crores of public money is locked up in the sick industrial units and out of that, Rs. 3,000 crores are locked up in big public companies. I would like to know from the Minister whether there is any proposal that where by way of loans and equity, 60 per cent or more are given to such companies, the accounts of such companies will be audited by the Comptroller and Auditor-General as is done in the case of public sector undertakings.

SHRI J. VENGAL RAO: Sir, this supplementary is irrelevant to this question.

MR. CHAIRMAN: Mr. Minister, the question is where large sums of public money is locked up in the sick industrial units, it should be audited by the Comptroller and Auditor General. It is a suggestion.

SHRI J. VENGAL RAO: We will certainly look into it.

SHRI ATAL BIHARI VAJPAYEE: Sir, who is to decide whether a supplementary is irrelevant or relevant?

MR. CHAIRMAN: It is for the Chair to decide.

SHRI ATAL BIHARI VAJPAYEE: And not for the Minister.

MR. CHAIRMAN: Yes.

SHRI J. VENGAL RAO: Sir, it was only a suggestion. It is not my decision.

Financial crisis in Maruti Udyog Limited

*163. SHRI K. G. MAHESWARAPPA: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Maruti Udyog Limited has been incurring losses on the vehicles assembled and marketed by it on behalf of Suzuki of Japan;

(b) whether these losses are covered by the interest on the deposits secured from the prospective buyers of the vehicles;

(c) if so, what steps are being taken by Government to overcome the financial crisis faced by the Company; and

(d) whether Government propose to re-negotiate its contract with Suzuki of Japan to overcome the financial crisis?

THE MINISTER OF STATE IN THE DEPARTMENT OF PUBLIC ENTERPRISES IN THE MINISTRY OF INDUSTRY (PROF. K. K. TEWARY): (a) Maruti Udyog Limited, which has a technical and financial collaboration with Suzuki of Japan and does not assemble or market vehicles on their behalf, has not incurred any losses in its manufacturing and sales operation.

(b) and (c) Do not arise.

(d) No, Sir.

SHRI K. G. MAHESWARAPPA: Sir, the answer is very vague. The answer is that the company has not incurred any losses. In the report, the actual profit is about Rs. 3 crores. Now, the thrust of my question is in regard to the deposits and the interest obtained out of the deposits and in a country like ours where there is capital scarcity, the company has mobilised a staggering sum of Rs. 421 Crores in less than 36 months. Even if it is Rs. 300 crores and if the company advances loans to other corporate concerns, they get Rs. 45 crores as interest annually. Deducting the interest they pay, that is 7 per cent to the depositors, they will get Rs. 24 crores per annum by way of interest. So, you have to take into account that amount as also the concessions enjoyed by the company, that is 50 per cent import duty concession Maruti is given 50 per cent concession in import duty on the cold rolled sheets which are used for body building, from the day Maruti started using these sheets. The other manuufacturer companies are paying 136 per cent. Out of these two items, Rs. 25 crores out of deposits and a saving of Rs. 25 crores in import duty, together there is a saving of Rs. 50 crores per annum. But they have not taken this into account and the company shows in its report a profit of only Rs. 3 crores odd...

MR. CHAIRMAN: That is enough. The rest you ask in the next supplementary. First let the Minister reply to this part. Mr. Minister, he has raised two points: (1) Have you taken into account the interest earned by you on the deposits made by the public, in calculating the profit and loss of your company? (2) Have you taken into account the 50 per cent customs duty concession which is given to you on the import of certain raw materials?

PROF. K. K. TEWARY: The deposits and the interest thereon are part of the capital of the company and they have been definitely taken into account in the profits. And I can inform the House that earning of interest on deposits is nothing very unusual for Maruti only. Other companies also